

STATE BUDGET AND CONTROL BOARD
MEETING OF May 15, 2007

REGULAR SESSION
ITEM NUMBER 7

AGENCY: Office of Human Resources

SUBJECT: FY 2007-2008 Pay Guidelines for Unclassified Employees

The 2007-2008 Appropriation Act, pending final approval by the General Assembly and the Governor, provides for variable annual salary increases to all unclassified employees. The Act further states that guidelines for unclassified pay increases must be established by the Budget and Control Board.

BOARD ACTION REQUESTED:

Approve the proposed guidelines for unclassified salary increases contingent upon approval of the 2007-2008 Appropriation Act by the General Assembly and the Governor.

ATTACHMENTS:

Agenda item worksheet; Fact Sheet; Proposed Section 63.54 of the 2007-2008 Appropriation Act; Average Faculty Salaries

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (Revised 9/91)

For meeting scheduled for:

May 15, 2007

 Blue Agenda
 X Regular Session
 Executive Session

1. Submitted by:

(a) Agency: Office of Human Resources

(b) Authorized Official Signature: Samuel P. Wilkins

2. Subject: FY 2007-2008 Pay Guidelines for Unclassified Employees

3. Summary Background Information:

The 2007-2008 Appropriation Act, pending final approval by the General Assembly and the Governor, provides for variable annual salary increases to all unclassified employees. The Act further states that guidelines for unclassified pay increases must be established by the Budget and Control Board.

4. What is the Board asked to do?

Approve the proposed guidelines for unclassified salary increases contingent upon approval of the 2007-2008 Appropriation Act by the General Assembly and the Governor.

5. What is the recommendation of the Board division involved?

Approve the proposed guidelines for unclassified salary increases contingent upon approval of the 2007-2008 Appropriation Act by the General Assembly and the Governor.

6. Recommendation of other office (as required):

Office Name _____ Authorized Signatures _____

7. Supporting Documents:

List those attached:

List those not attached
but is available:

- (1) Fact Sheet
- (2) Proposed Section 63.54 of the 2007-2008 Appropriation Act
- (3) Average Faculty Salaries

FACT SHEET

Background

Executive compensation and other unclassified employees have received increases according to the following guidelines for the last several years.

Executive Compensation and other Unclassified Employees

<u>Year</u>	<u>Increase Guidelines*</u>
2006-07	0 – 6%
2005-06	0 – 6%
2004-05	3% (all employees received a 3% increase)
2003-04	0
2002-03	0
2001-02	0 – 2%

Unclassified Faculty Employees

<u>Year</u>	<u>Increase Guidelines*</u>
2006-07	0 – 6% or up to an annual salary of \$75,000, whichever is greater
2005-06	0 – 6% or up to an annual salary of \$73,000, whichever is greater
2004-05	3% (all employees received a 3% increase)
2003-04	0
2002-03	0
2001-02	0 – 2% or up to an annual salary of \$65,000, whichever is greater

*OHR must review and approve any exceptions to these guidelines.

Proposed FY 2007-2008 Guidelines Governing Unclassified Employee Pay Increases

I. Executive Compensation and other Unclassified Employees

- Authorize agencies to award annual pay increases from 0 – 6% effective on the first pay date which occurs on or after July 1, 2007.

II. Unclassified Faculty Employees

- Authorize agencies to award annual pay increases from 0 – 6% or increases up to an annual salary of \$79,000,¹ whichever is greater, effective on the first pay date which occurs on or after July 1, 2007.

¹This figure is based on the Southern Region faculty average as published in the 2006-2007 Oklahoma State University Faculty Salary Survey.

Additional Pay Information

Average Base Pay Increases (%)

	2001 – 02	2002 – 03	2003 – 04	2004 – 05	2005 – 06	2006 – 07
	(1.05% Avg Merit 1.5% GI) 2.55%					
Classified		0%	0%	3%	4%	3%
Unclassified	2.88%	0%	0%	3%	4.20%	3.62%
Exec Comp	1.89%	0%	0%	3%	4.21%	3.39%
Faculty	2.33%	0%	0%	3%	4.21%	3.20%

- The 2006-07 Oklahoma State University Faculty Salary Survey offers the following information: The Southern Region average salary for faculty is \$79,736. The national average salary for faculty is \$83,227.
- The South Carolina faculty average is \$70,913.
- The 2006 Southeastern Salary Conference Survey offers the following information: Nine out of 13 states gave a General Increase in FY2006 with an average of 3.50%. Four out of 13 states gave a Merit Increase in FY 2006 with an average 4.00%. One state (AL) gave both a General Increase and a Merit Increase in FY2006.

63.54. (BCB: FY 07-08 Employee Compensation) The amounts appropriated to the Budget and Control Board for Employee Pay Increases must be allocated by the Board to the various state agencies to provide for employee pay increases in accordance with the following plan:

1. With respect to classified and non-judge judicial classified employees, effective on the first pay date that occurs on or after July 1 of the current fiscal year, the compensation of all classified employees shall be increased by 3%.
2. With respect to unclassified and non-judge judicial unclassified employees or unclassified executive compensation system employees not elsewhere covered in this act, effective on the first pay date that occurs on or after July 1 of the current fiscal year each agency is authorized to allot the total funds for compensation increases among individual employees without uniformity. The funds provided for compensation increases for any employees subject to the provisions of this paragraph are based on an average 3% increase. All of the salaries are subject to the provisions of Section 72.18 of Part IB of this act and Office of Human Resources approval must be obtained before any employees subject to the provisions of this paragraph may be granted an annual pay increase in excess of the guidelines established by the Budget and Control Board. Any employee subject to the provisions of this paragraph shall not be eligible for compensation increases provided in paragraphs 1, 3, 4, 5, 6, or 7.
3. With respect to agency heads covered by the Agency Head Salary Commission, the Agency Head Salary Commission shall recommend to the Budget and Control Board salary increases for agency heads. Agency head increases shall be effective on the first pay date that occurs on or after January 1 of the current fiscal year. No agency head shall be paid less than the minimum of the pay increase range nor receive a salary increase that would have the effect of raising the salary above the maximum of the pay range.
4. Effective on the first pay date that occurs on or after July 1 of the current fiscal year, agency heads not covered by the Agency Head Salary Commission, shall receive an annualized base pay increase of 3%.
5. With respect to local health care providers compensation increases shall be 3% effective on the first pay date that occurs on or after July 1 of the current fiscal year. With respect to Area Agencies on Aging funded by the Lieutenant Governor's Office on Aging, compensation shall be increased by 3% effective on the first pay date that occurs on or after July 1 of the current fiscal year. With respect to local councils on aging or local providers of services funded by the Lieutenant Governor's Office on Aging through Area Agencies on Aging, no pay increases will be allowed. School Bus Driver salary and fringe funding to school districts shall be increased by 3%.
6. Effective on the first pay date that occurs on or after July 1 of the current fiscal year, the Chief Justice and other judicial officers shall receive an annualized base pay increase of 3%.
7. Effective on the first pay date that occurs on or after July 1 of the current fiscal year, county auditors and county treasurers shall receive an annualized base pay increase of 3%.

The Budget and Control Board shall allocate associated compensation increases for retirement employer contributions based on the retirement rate of the retirement system in which individual employees participate.

Funds appropriated in Part IA, F30, Section 63B, Budget and Control Board, Employee Benefits may be carried forward from the prior fiscal year into the current fiscal year.

AVERAGE SALARIES FOR SOUTH CAROLINA UNIVERSITIES

<u>Agency Name</u>	<u>Assistant Professor</u>	<u>Associate Professor</u>	<u>Professor</u>
The Citadel	\$ 53,818	\$ 64,141	\$ 78,097
Clemson University	\$ 65,447	\$ 72,871	\$ 95,754
Univ. of Charleston	\$ 52,459	\$ 61,642	\$ 76,220
Coastal Carolina Univ.	\$ 54,557	\$ 63,532	\$ 81,773
Francis Marion Univ.	\$ 49,486	\$ 58,443	\$ 69,483
Lander University	\$ 46,290	\$ 54,647	\$ 62,858
SC State University	\$ 55,679	\$ 63,206	\$ 70,563
University of SC	\$ 59,457	\$ 70,846	\$ 95,095
Winthrop Univ.	\$ 52,172	\$ 62,326	\$ 71,833
Medical Univ. of SC	\$ 54,569	\$ 76,382	\$101,837
Averages:	\$ 56,937	\$69,108	\$90,668
Statewide Average:	\$ 70,913		

Average Salaries*	Region 1	Region 2	Region 3	Region 4**	South Carolina
Assistant Professor	\$63,140	\$63,114	\$64,749	\$62,910	\$56,937
Associate Professor	\$71,652	\$71,577	\$76,678	\$73,355	\$69,108
Professor	\$107,925	\$102,152	\$110,850	\$104,606	\$90,668

* 2006-07 Oklahoma State University Faculty Salary Survey Data

** SC is included in Region 4 along with AL, FL, GA, LA, MS, NC, KY, TN, VA and WV

Region 1: AZ, MT, ND, OR, SD, AK, CA, HI, ID, WA, WY, UT, NV

Region 2: TX, CO, IA, KS, NM, OK, AR, MO, NE

Region 3: OH, NY, PA, NJ, CT, DE, IL, IN, MD, MA, MI, MN, VT, WI, and ME

Region 4: SC, AL, FL, GA, LA, MS, NC, KY, TN, VA and WV